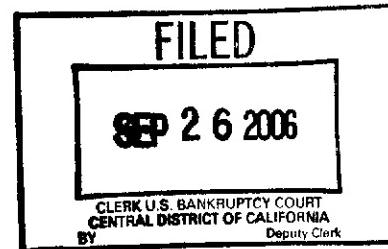


5
6 Jeffrey B. Gardner, Bar No. 115648
7 Hydee J. Mulichak, Bar No. 158779
8
9 2 Cathy A. Knecht, Bar No. 226275
10 BARRY, GARDNER & KINCANNON
11 A Professional Corporation
12 5000 Birch Street, Suite 420
13 Newport Beach, California 92660
14 Tel: (949) 851-9111 Fax: (949) 851-3935



15 Attorneys for
16 Karen Sue Naylor, Chapter 7 Trustee

U. S. BANKRUPTCY COURT
ENTERED

17 SEP 27 2006

18 UNITED STATES BANKRUPTCY COURT
19 CENTRAL DISTRICT OF CALIFORNIA

20 Jon D Ceretto, Clerk of Court
21 CENTRAL DISTRICT OF CALIFORNIA
22 BY Deputy Clerk

23 In re) Case No. SA02-16099-RA
24 ELECTRIC IMAGE, INC.,)
25 Debtor.)
26)
27)
28)

14 KAREN SUE NAYLOR, Chapter 7
15 Trustee,
16 Plaintiff,
17)

18 DWIGHT PARSCALE, RITA PARSCALE,
19 BRADLEY PARSCALE, EI TECHNOLOGY
GROUP, LLC,

Defendants.

AND RELATED CROSS-ACTIONS.

) STIPULATION FOR DISMISSAL OF
ADVERSARY PROCEEDING; ORDER
THEREON
[No Hearing Required]

THIS STIPULATION by and between Karen Sue Naylor, Chapter 7
Trustee ("Trustee"), Dwight Parscale ("Dwight"), Rita Parscale
("Rita"), Bradley Parscale ("Bradley"), and EI Technology Group LLC
("EI"), (collectively "Defendants"), by and through their respective
counsel, is made pursuant to the following facts:

RECITALS

1. On or about August 8, 2002, Electric Image, Inc. Debtor"), filed its petition under Chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court, Central District of California, bearing case number SA02-16099-RA ("Bankruptcy Action").

order entered January 16, 2004, the case was converted to one under Chapter 7.

2. Trustee is the duly appointed, qualified and acting
Chapter 7 Trustee of the Bankruptcy Estate.

10 3. On July 26, 2006, the Court entered an Order Approving
11 Compromise of Controversies Between Chapter 7 Trustee and Defendants
12 Dwight Parscale, Rita Parscale, Bradley Parscale, EI Technologies,
13 Inc., Luke Zouvas and Mark A. Reed ("Compromise Order").

14 4. Pursuant to the settlement agreement between the parties
15 and the Compromise Order, the within adversary proceeding was to be
16 dismissed, with prejudice, as against Defendants after receipt of
17 the Settlement Sums and an order was entered by the Court approving
18 the compromise.

19 5. Similarly, Dwight's Counterclaim was to be dismissed, with
20 prejudice, as against the Trustee after receipt of the Settlement
21 Sums and an order was entered by the Court approving the compromise.

22 6. The parties have executed the settlement agreement, the
23 Settlement Sums have been received by the Trustee, and the Court has
24 approved the compromise, and as a result thereof, all conditions
25 precedent for the dismissal of the within adversary proceeding,
26 including all counter claims and cross actions, have been satisfied.

27 //

28 //

1 IT IS THEREFORE STIPULATED AND AGREED that this entire
2 adversary action, including all counter claims and cross actions,
3 should be DISMISSED with prejudice.

4
5 Dated: 9-18-06

BARRY, GARDNER & KINCANNON
A Professional Corporation

6
7
8 Hydee J. Mulichak
9 Cathy A. Knecht
Attorneys for Karen Sue Naylor,
10 Chapter 7 Trustee

11 DATED: _____

LAW OFFICES OF THOMAS H. CASEY

12
13
14 Kathleen M. Goldberg
15 Attorneys for Dwight Parscale

16 DATED: _____

17 R. Glen Ayers, Jr.
18 Attorneys for EI Technology Group LLC,
19 Dwight Parscale, Rita Parscale and
Bradley Parscale

20 ORDER

21 Good cause appearing therefor, IT IS ORDERED that this entire
22 adversary action, including all counter claims and cross actions, is
23 hereby DISMISSED with prejudice.

24 DATED: 9/26/06

25 
ERITHE A. SMITH
26 UNITED STATES BANKRUPTCY JUDGE

27
28

1 IT IS THEREFORE STIPULATED AND AGREED that this entire
2 adversary action, including all counter claims and cross actions,
3 should be DISMISSED with prejudice.
4

5 Dated: _____ BARRY, GARDNER & KINCANNON
6 A Professional Corporation

7
8 Hydee J. Mulichak
9 Cathy A. Knecht
10 Attorneys for Karen Sue Naylor,
11 Chapter 7 Trustee

12 DATED: September 15, 2006 LAW OFFICES OF THOMAS H. CASEY

13
14 *Thomas H. Casey*
15 Dated: Kathleen M. Goldberg
16 Attorneys for Dwight Parscale

17 DATED: _____ R. Glen Ayers, Jr.
18 Attorneys for EI Technology Group LLC,
19 Dwight Parscale, Rita Parscale and
20 Bradley Parscale

21 ORDER

22 Good cause appearing therefor, IT IS ORDERED that this entire
23 adversary action, including all counter claims and cross actions, is
24 hereby DISMISSED with prejudice.

25 DATED:

26 ERITHE A. SMITH
27 UNITED STATES BANKRUPTCY JUDGE

1 IT IS THEREFORE STIPULATED AND AGREED that this entire
2 adversary action, including all counter claims and cross actions,
3 should be DISMISSED with prejudice.
4

5 Dated: _____

BARRY, GARDNER & KINCANNON
A Professional Corporation

8 Hydee J. Mulichak
9 Cathy A. Knecht
10 Attorneys for Karen Sue Naylor,
Chapter 7 Trustee

11 DATED: _____

12 LAW OFFICES OF THOMAS H. CASEY

14 Kathleen M. Goldberg
15 Attorneys for Dwight Parscale

16 DATED: 9/15/06

17 R. Glen Ayers, Jr.
18 Attorneys for EI Technology Group LLC,
19 Dwight Parscale, Rita Parscale and
Bradley Parscale

20 ORDER

21 Good cause appearing therefor, IT IS ORDERED that this entire
22 adversary action, including all counter claims and cross actions, is
23 hereby DISMISSED with prejudice.

24 DATED:

26 ERITHE A. SMITH
27 UNITED STATES BANKRUPTCY JUDGE

1 PROOF OF SERVICE

2 STATE OF CALIFORNIA, COUNTY OF ORANGE

3 I am employed in the County of Orange, State of California. I
4 am over the age of 18 and not a party to the within action; my
business address is 5000 Birch Street, Suite 420, Newport Beach,
California 92660.

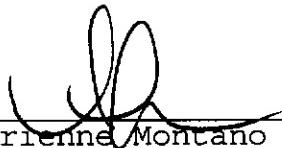
5 On September 18, 2006, I served the foregoing document
6 described as **STIPULATION FOR DISMISSAL OF ADVERSARY PROCEEDINGS'**
ORDER THEREON on the interested parties in this action by placing a
7 true copy thereof enclosed in a sealed envelope addressed as
follows:

8 SEE ATTACHED SERVICE LIST

10 /X/ [BY MAIL] I am readily familiar with the firm's business
11 practice of collection and processing correspondence for
mailing. Under that practice, it would be deposited with the
12 U.S. Postal Service on that same day with postage thereon fully
prepaid at Newport Beach, California in the ordinary course of
business. I am aware that on motion of the party served,
13 service is presumed invalid if postal cancellation date or
postage meter date is more than one day after date of deposit
14 for mailing in affidavit.

15 /X/ [FEDERAL] I declare that I am employed in the office of a
16 member of the bar of this court at whose direction the service
was made.

17 Executed on September 18, 2006, at Newport Beach, California.

18
19
20 
Adrienne Montano

21 H:\6821\Pleading\0019 Parscale Adversary\stip dismiss.wpd

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1 In re Electric Image, Inc.
Case No. SA02-16099-RA
2 Case No. SA05-01353-RA

3 **SERVICE LIST**

4 Debtor
Electric Image, Inc.
5 931 Calle Negocio #H
San Clemente, CA 92673

6 Chapter 7 Trustee
7 Karen Sue Naylor
P.O. Box 504
8 Santa Ana, CA 92702-0504

9 Attorney for Luke Zouvas
Christopher A. Minier
10 Law Offices of Todd C. Ringstad
2030 Main Street #1200
11 Irvine, CA 92614

12
13 Co-counsel for Defendant and
Counter Claimant Dwight Parscale
14 Thomas Casey
Law Office of Thomas H. Casey
15 22342 Avenida Empresa, #260
Rancho Santa Margarita, CA
16 92688-2141

17 Attorney for Debtor
Mark A. Reed
17710 Balboa Avenue #316
San Diego, CA 92111

18 U.S. Trustee
United States Trustee
411 West Fourth Street #9041
Santa Ana, CA 92701

19 Attorney for Defendants
Dwight Parscale, Rita Parscale,
Bradley J. Parscale and EI
Technology Group, LLC
R. Glen Ayers, Jr.
745 E. Mulberry, Suite 900
San Antonio, TX 78212

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Physically attach this form as the last page of the proposed Order or Judgment.
Do not file this form as a separate document.

In re ELECTRIC IMAGE, INC.	CHAPTER <u>07</u>
	Debtor, CASE NUMBER: SA02-16099-RA
Adversary No. SA05-01353-RA	

**NOTICE OF ENTRY OF JUDGMENT OR ORDER
AND CERTIFICATE OF MAILING**

TO ALL PARTIES IN INTEREST ON THE ATTACHED SERVICE LIST:

1. You are hereby notified, pursuant to Local Bankruptcy Rule 9021-1(a)(1)(E), that a judgment or order entitled (*specify*):
STIPULATION FOR DISMISSAL OF ADVERSARY PROCEEDING; ORDER THEREON

was entered on (*specify date*):

9/27/06

2. I hereby certify that I mailed a copy of this notice and a true copy of the order or judgment to the persons and entities on the attached service list on (*specify date*):

9/27/06

Dated: *9/27/06*

JON D. CERETTO
Clerk of the Bankruptcy Court

By: *Elizabeth Steinberg*
Deputy Clerk

1 In re Electric Image, Inc.
Case No. SA02-16099-RA
2 Case No. SA05-01353-RA

3 **SERVICE LIST**

4 Debtor
Electric Image, Inc.
5 931 Calle Negocio #H
San Clemente, CA 92673

6 Chapter 7 Trustee
7 Karen Sue Naylor
P.O. Box 504
8 Santa Ana, CA 92702-0504

9 Attorney for Luke Zouvas
Christopher A. Minier
10 Law Offices of Todd C. Ringstad
2030 Main Street #1200
11 Irvine, CA 92614

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13 Co-counsel for Defendant and
Counter Claimant Dwight Parscale
14 Thomas Casey
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15 22342 Avenida Empresa, #260
Rancho Santa Margarita, CA
16 92688-2141

Attorney for Debtor
Mark A. Reed
17710 Balboa Avenue #316
San Diego, CA 92111

U.S. Trustee
United States Trustee
411 West Fourth Street #9041
Santa Ana, CA 92701

Attorney for Defendants
Dwight Parscale, Rita Parscale,
Bradley J. Parscale and EI
Technology Group, LLC
R. Glen Ayers, Jr.
745 E. Mulberry, Suite 900
San Antonio, TX 78212

Attorney for Chapter 7 Trustee
Hydee J. Mulichak, Esq.
Barry, Gardner & Kincannon, APC
5000 Birch Street, Suite 420
Newport Beach, CA 92660

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